

Message Text

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ACTION EA-12

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FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 1257

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E.O. 11652: GDS

TAGS: PGOV, PINS, ID

SUBJECT: GOI EMPHASIZES ANTI-CORRUPTION CAMPAIGN

1. SUMMARY. DURING RECENT WEEKS, THE GOVERNMENT'S OPSTIB (OPERATION ORDER) ANTI-CORRUPTION CAMPAIGN HAS FEATURED PROMINENTLY IN THE NEWS THROUGH THE FIRST KNOWN TRIAL IN MANY YEARS FOR FINANCIAL WRONGDOING OF TOP RANKING MILITARY OFFICERS, MORE EXPOSURES OF FINANCIAL SCANDALS INVOLVING GOVERNMENT OFFICIALS AND PRIVATE BUSINESSMEN, AND THE PUBLIC EMPHASIS THE PRESIDENT AND OTHER HIGH OFFICIALS ARE GIVING TO HONEST WORK AND SIMPLE LIVING HABITS. PARLIAMENT HAS LET ITS VOICE TO THE CHORUS FOR IMPROVED PUBLIC SERVANT CONDUCT AND ALSO FOR A GREATER DIALOGUE ON ITS PART WITH THE CONSTITUTIONALLY BASED FINANCIAL AUDIT BOARD WHICH HAS NEVER BEEN AN EFFECTIVE BODY OF CONTROL. END SUMMARY.

2. THE MOST NOTABLE OF THE CORRUPTION CASES IS THAT INVOLVING FOUR HIGH-RANKING POLICE OFFICIALS, INCLUDING LT. GEN. SISWADJI, FORMER DEPUTY NATIONAL POLICE CHIEF, AND A BRIG. GEN., WHO ARE ACCUSED OF INVOLVEMENT IN THE EMBEZZLEMENT OF RP. 4.8 BILLION (11.5 MILLION DOLLARS) IN GOVERNMENT FUNDS. THEIR TRIAL BEFORE THE HIGH MILITARY COURT BEGAN ON AUGUST 28 AMID WIDESPREAD PUBLICITY AND EDITORIAL COMMENT BY ALL SECTORS OF THE PRESS. ALL OF

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THE COMMENT APPLAUDED THE GOVERNMENT'S ACTION IN UNCOVERING THE CASE AND BRINGING THE ACCUSED TO TRIAL.

3. TWO OTHER CASES RECENTLY UNCOVERED AND MADE PUBLIC BY OPSTIB HAVE ALSO RECEIVED CONSIDERABLE PRESS PLAY. ONE IS THE SO-CALLED PLUIT HOUSING CONSTRUCTION SCANDAL IN WHICH PRIVATE BUSINESSMEN AND PUBLIC OFFICIALS WERE ALLEGEDLY

INVOLVED IN ILLEGAL FINANCIAL MANIPULATION OF 22 BILLION RUPIAHS (\$53 MILLION) IN GOVERNMENT FUNDS. TRIAL OF THIS CASES IS SCHEDULED TO BEGIN SEPTEMBER 19. A SECON CASE INVOLVING MANIPULATION OF 3.8 BILLION RUPIAHS (9 MILLION DOLLARS) IN CONNECTION WITH CONSTRUCTION OF THE ARTHALOKA BUILDING IN JAKARTA WAS ALSO ANNOUNCED WITH CONSIDERABLE FANFARE BY OPSTIB OFFICIALS IN MID-AUGUST. NO DATE HAS YET BEEN SET FOR A TRIAL IN THIS CASE.

4. OPSTIB CHIEF ADMIRAL SUDOMO TOLD THE PRESS ON AUGUST 30, AFTER MEETING WITH INTERNAL AFFAIRS MINISTER AMIRMACHMUD, THAT OPSTIB ACTIVITIES WILL BE STEPPED UP AFTER THE LEBARAN HOLIDAYS AND THAT GREATER EMPHASIS WILL BE PLACED UPON IMPROVED COORDINATION IN CARRYING OUT THE ANTI-CORRUPTION CAMPAIGN IN THE PROVINCES.

5. PUBLIC ATTENTION HAS BEEN FURTHER ATTRACTED TO GOVERNMENT EFFORTS TO IMROVE THE LEVEL OF PERSONAL CONDUCT BY PUBLIC OFFICIALS AS A RESULT OF THE WIDE PUBLICITY GIVEN TO A NUMBER OF RECENT STATEMENTS AND ORDERS BY HIGH OFFICIALS. PRESIDENT SUHARTO LED THE WAY IN A SPEECH AT THE ISTIGLAL MOSQUE IN JAKARTA BY EMPHASIZING THAT GOVERNMENT AND MILITARY OFFICIALS SHOULD NOT ACCEPT LEBARAN GIFTS FROM PERSONS OTHER THAN MEMBERS OF THEIR FAMILIES. THIS WAS FOLLOWED BY PUBLICATION OF A CIRCULAR LETTER ISSUED BY MINISTER OF STATE SUDHARMONO IN WHICH

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PUBLIC OFFICIALS ARE REMINDED THAT IN ADDITION TO NOT ACCEPTING GIFTS THEY ARE FORBIDDEN TO GIVE LAVISH PARTIES OR FREQUENT NIGHT CLUBS, STEAM BATHS, GAMBLING PLACES AND SIMILAR ESTABLISHMENTS. BOTH MINISTER OF DEFENSE JUSUF AND ARMY CHIEF OF STAFF WIDODO HAVE ALSO MADE RECENT PUBLIC STATEMENTS EMPHASIZING THE IMPORTANCE OF PROPER CONDUCT BY MILITARY OFFICIALS IN THEIR DEALINGS WITH THE GENERAL POPULATION.

6. ANOTHER DEVELOPMENT FOCUSING ATTENTION ON THIS GENERAL AREA OF IMPROVED RESPONSIBILITY IN GOVERNMENT HAS BEEN THE ATTENTION GIVEN TO THE OPERATION OF THE FINANCIAL AUDIT BOARD (BPK) IN STATEMENTS TO THEPRESS BY MEMBERS OF PARLIAMENT. THE FOCUS IN THIS INSTANCE HAS BEEN ON CRITICISM OF THE AUDIT BOARD'S PRACTICE OF SIMPLY SUBMITTING A FINAL CLASSIFIED REPORT TO PARLIAMENT RATHER THAN ENGAGING IN WORKING DIALOGUE WITH THE DEPUTIES, WHO HOPE FOR A MORE PRODUCTIVE RLATIONSHIP IN THE FUTURE.

7. COMMENT: MANY OBSERVERS BELIEVED THAT OPSTIB AND OTHER EFFORTS TO CRACK DOWN ON CORRUPTION AND OSTENTATIOUS IIVING WOULD DIE ON THE VINE AFTE THE GOVERNMENT

PUBLIC CAMPAIGN LEADING UP TO THE MARCH PEOPLE'S CONSULTATIVE ASSEMBLY (MPR) WAS OVER. WHILE ONE CANNOT EXPECT SUDDEN AND TOTAL IMPROVEMENT IN THE CORRUPT PRACTICES THAT ARE SO ENDEMIC AT ALL LEVELS OF PUBLIC AND PRIVATE LIFE IN INDONESIA, THE WELL-PUBLICIZED TRIALS AND THE RHETORIC OF THE HIGHEST OFFICIALS IN THE POST-MPR PERIOD EVIDENCE THEIR CONTINUING CONCERN WITH THESE PROBLEMS. IT IS PARTICULARLY SIGNIFICANT THAT TWO GENERALS HAVE NOW BEEN BROUGHT TO TRIAL ON CORRUPTION CHARGES. AS BEST WE CAN DETERMINE, ONLY TWO OTHER GENERALS HAVE EVER FACED TRIAL ON CORRUPTION CHARGES DURING THE NEW ORDER AND SUCH ACTION WAS VIRTUALLY UNKNOWN IN THE OLD ORDER. MOST HIGH OFFICIALS CHARGED WITH FINANCIAL WRONGDOING IN THE PAST HAVE SIMPLY BEEN CONFIDENTIAL

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FIRED, AND IN SOME CASES TEMPORARILY DETAINED, WITH NO LEGAL ACTION TAKEN AGAINST THEM.
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